



Project #: 527-A-00-02-00134-00
Reporting Period: July – September 2004¹
SO12

I. Summary of Activity Status and Progress

A. Introductory Paragraph

WWF-Peru continues to solidify its presence in the Loreto department, following the awarding of forest concessions to 34 WWF-assisted bidders. The advances in Loreto reflect the existence of significant momentum for the modernization of the forest sector. In other regions, small enterprises capitalize on technical assistance in business management and access to financial services. During the report period, an additional US\$ 141,000 was disbursed by the Caja Rural de San Martin to pre-approved concessionaires and recently formed consortia in order to access labor capital and invest in much needed machinery and equipment. Meanwhile, reforestation initiatives in the Alternative Development Program's area of influence in San Martin are nearing completion, while in Huanuco activities implemented in collaboration with local governments were concluded.

B. Highlights

- WWF-Peru continues to develop a presence in the Loreto department. WWF-PPO signed agreements with **12 concessionaires** for technical assistance as part of the first step in pursuing sustainable forest management. The first activity underway is the elaboration of reports **to request permission** to begin mobilizing timber.
- WWF-Peru facilitated the implementation of pre-evaluations for one timber concession and one non-timber forest product concession (brazil nuts). The brazil nuts association in Madre de Dios was awarded preliminary **FSC certification** of 26,900 hectares in July 2004.
- Continuing to implement the financial services mechanism, three loans were disbursed in Huánuco, including **US\$ 79,000** to a recently formed **consortium**, and US\$ 20,000 to two other concessionaires. For concessionaires in Ucayali, WWF-Peru facilitated the awarding of US\$ 42,000 that will allow two concessionaires to invest in **labor capital and equipment** to access the concession.
- As part of the **Lesser Known Species** project, the furniture manufacturer Exportimo is presenting 12 furniture pieces of *Cachimbo* and *Capirona* at the **High Point trade show** in North Carolina. This trade show is considered to be the most important show for international furniture traders and designers. Furthermore, LKS furniture models are now on display in principal showrooms in **Texas** and **Colorado**.

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C. Table of Activity Status

Activity Number	Activity Title	Status	Page number for more information
1	Community Forest Management	On-track	4
2	Forest Concession Implementation/ CEDEFOR	On-track	4
3	Environmental Education and Awareness Raising	On-track	9
4	Local Government Reforestation	On-track	10
5	Prevention and Mitigation of Environmental Impacts	Completed	11
6	Environmental Planning and Prioritization	Completed	12
7	Lesser Known Species	On-track	13

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

II. Description of Site Progress

a. Key short and long-term program objectives for the sites.

i. Alternative Development Program

This project aims to achieve the following key objectives:

1. Prevent and mitigate habitat loss and freshwater ecosystem degradation, in the form of deforestation and forest fragmentation, soil runoff alteration, siltation, and hydrologic cycle disruption.
2. Create alternate income sources and employment opportunities not dependent on the illicit production of coca or illegal logging.
3. Provide training and comprehensive instruction to key players in the project area regarding all critical facets of forest product businesses and sustainable forest management, based on FSC principals and criteria.
4. Conduct restoration and reforestation pilot activities in order to mitigate the environmental damage caused by coca growing in the project area, and to promote sustainable forest management and voluntary forest certification as alternatives to coca growing.
5. Raise awareness among local communities and governments regarding sustainable forest management, voluntary forest certification, restoration, and reforestation.

ii. CEDEFOR

This project aims to achieve the following key objectives:

1. Promote forest certification of up to one million hectares of forest under the principles and criteria of the Forest Stewardship Council (FSC).
2. Provide technical support to the Ministry of Agriculture, INRENA and forest stakeholders to improve the ecological integrity of over ten million hectares of highly biodiverse and permanent production forests in priority Global 200 ecoregions in Peru, carry out forest ecosystem monitoring, combat illegal logging, and develop and implement forest policy with effective enforcement and regulations.

3. Provide technical assistance and training to 140 forest micro-enterprises and an additional 10 strategically and objectively selected forest concessions targeting resource poor loggers, indigenous communities, and small and medium scale businesses, to implement community-based participatory forest management, design and implement forest inventories and management plans, introduce best business practices, transform and market forest products, promote economic competitiveness and Voluntary Forest Certification. These ten forest concessions will be selected based on ecologically defined criteria including proximity to Global 200 Ecoregions and the biodiversity value of the specific forest landscape.
4. Sponsor, through sub-grants to specialized NGO partners, the establishment of a financial services system based on small, self-managed revolving loan funds to generate essential working capital for cost effective forest management and product marketing to position Peru's forest industry in the domestic and international market.
5. Implement a capacity building and grassroots organizing initiative to support government and civil society organizations to establish a strong forest authority for effective and transparent forest control and supervision.

iii. Lesser Known Species

This project aims to achieve the following key objectives:

1. Identify lesser known timber species that have characteristics that make these species likely candidates for sale in national and international markets, working in close collaboration with businesses in Madre de Dios, Ucayali, and Lima.
2. Determine the behavior of individual or groups of lesser known species selected for industrial testing (with emphasis on workability, drying, and finishing characteristics), according to the intended use of these species.
3. Working closely with key timber businesses, facilitate these business' access to national and international markets for promising lesser known species identified through the project, with particular emphasis on United States markets.

b. Summary of Progress for Site (if this provides added value or clarity, otherwise skip this)

c. Activity Description

Activity Title: Community Forest Management

i. Summary of major achievements and progress

- The organization contracted to implement field activities, PROCAM, organized a workshop with the Potsoteni community, entitled *Sustainable Forest Management and Certification*. Following this, WWF-Peru technical staff visited the site to verify results of PROCAM activities and evaluate the project's effectiveness in the area. WWF-Peru interviewed community members and the PROCAM technical team about the content of the workshop and the progress of the project activities in the central jungle region with the Ashaninka indigenous community of Potsoteni in the Ene River basin. Assistance provided by PROCAM has officially concluded with this last visit to the project site.

ii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
1.1	Capacity building and technical support for sustainable forest management and VFC: forest inventory, GFMP, AOP	On-track
1.2	Census and forest inventory training and development	On-track
1.3	Support forest micro-enterprise and community-based business development	On-track
1.4	Forest management plan design and development	On-track
1.5	Forest certification field scoping	Pending
1.6	Conduct forest activity rapid assessment	Pending
1.7	Identify Communities participating in forest management	Completed

iii. Key management issues

While PROCAM has gained a high level of trust from many community members in Potsoteni, WWF-Peru determined that not all of the content presented in workshops has been internalized by community members. As part of the consolidated project of CEDEFOR, WWF-Peru will continue working with the community of Potsoteni to reinforce technical assistance provided by PROCAM. The goal of the technical assistance provided to Potsoteni is to assist the indigenous community in eventually entering into the Gradual Approximation System for Certification.

CEDEFOR component I: Assistance to Forest Concession Implementation

i. Summary of major achievements and progress

- WWF-Peru continues to develop a presence in the Loreto department. During this report period, assistance was provided to 12 concessionaires in drafting the first report requested by INRENA in order for the concessionaires to begin their forest activities. WWF-Peru also signed agreements with

these concessionaires to provide technical assistance as part of the first step in the planning, execution and monitoring of activities outlined in their General Forest Management Plans (GFMP) and Annual Operating Plans (AOP). Each assistance agreement includes a work plan. In addition, an agreement for technical assistance is being coordinated with the Committee of Agrarian Producers in Maynas Province (known in Spanish by its acronym as COPAPMA) for the establishment of local forests.

- During this reporting period, WWF-Peru facilitated the implementation of pre-evaluations for one timber concession and one non-timber forest product concession (brazil nuts). The brazil nuts association in Madre de Dios was awarded preliminary FSC certification in July 2004. Field activities of the Consorcio Forestal Amazónico (CFA) are suspended by the enterprise until social conflicts with the Chorinashi community are resolved. Although the chains of custody (CoC) of *Maderera Palacios* and *Triplay Amazonico* are completely developed, these enterprises have chosen to postpone their evaluation for certification of the CoC, in recognition that they depend on the certification process of the CFA. In light of the social obstacles, the CFA plans to resume activities for implementing its action plan in February 2005, with plans for the Forest Management and CoC evaluation slated for June or July 2005. The methodology and checklist for the Gradual Approximation System for Certification was completed and has been validated with forest enterprises in the field. An agreement with Smartwood will be signed to facilitate the application of the System. Diagnostic evaluations of 08 regional enterprises in Ucayali and Madre de Dios will be carried out during the coming year over a total of 350,000 hectares of forest. In addition, in Ucayali, four procedure manuals for chains of custody were developed, to comply with prerequisites of Voluntary Forest Certification.
- CEDEFOR is providing technical assistance to concessionaires that were awarded forest concessions in the first and second rounds of public bidding. In the department of Madre de Dios, CEDEFOR continues to assist enterprises that manage 28 forest concessions awarded in the first round of public bidding (621,265 hectares) and an additional 10 concessions awarded in the second round of public bidding (66,986 hectares). In Ucayali department, CEDEFOR provides technical assistance to 22 forest concessionaires (707,553 hectares), of whom 04 (39,357 hectares) were incorporated following the second round of public bidding. In San Martín and Huánuco, CEDEFOR specialists continue assisting 12 and 26 forest concessionaires, with a total of 165,853 and 164,245 hectares, respectively.
- The elaboration of General Forest Management Plans (GFMP) and Annual Operating Plans (AOP) is currently in progress. Following their revision by WWF technical specialists, they are submitted to INRENA for approval. Annual Operating Plans and General Forest Management Plans will enable forest concessionaires to conduct their harvests according to the principles of sustainable forest management. In Madre de Dios, a total of 23 GFMP have been completed (545,417 hectares), of which 20 have been approved by INRENA. In terms of AOP, of 24 that were completed, 18 were approved by INRENA. In Ucayali department, 10 GFMPs have met INRENA approval, while 16 have been revised according to INRENA's specifications. In San Martín, 07 GMFPs were revised and submitted to INRENA, while 02 are pending revision in Lima. In San Martín, 04 AOPs have been revised and 02 are in progress. In Huánuco, 05 GFMP were completed and submitted to INRENA, and 02 AOP have been completed.
- Permanent evaluation plots (PPE) are being installed in forest concessions to assess the various impacts on forest ecology due to sustainable forest management. All of the field information during this reporting period has been digitalized and uploaded. Data gathered from geographical information systems was processed for 06 PPE in Huánuco and 16 PPE in San Martín. In addition, WWF-Peru implemented supervisions of two concessionaires during the implementation of their detailed forest inventories in San Martín. In another instance, personnel accompanied INRENA in the visual inspection of a recently conducted detailed forest inventory.

- The use of Geographic Information Systems (GIS) is vital to the planning of field activities as well as the development of management and operating plans. Furthermore, with a shift in emphasis to intervention at the watershed level, coordination with other stakeholders, including the exchange of geographic information, has acquired greater relevance. In San Martín, the Land Titling Project of the Ministry of Agriculture (PETT) shared 43 maps and complementary information pertaining to areas (including of indigenous communities) within the priority watershed of the Rio Saposoa. In addition, WWF-Peru specialists developed maps as components of all General Forest Management Plans elaborated during the report period.
- During this report period, CEDEFOR continued to strengthen the capacities of forest users in forest management activities. Training has been continuous and informal, oftentimes taking place in the field. Two forest technicians in San Martín and 04 in Huanuco were trained in the implementation of forest inventories and use of related equipment. In addition, capacity building in the elaboration of GFMP and AOP was provided for 02 forest consultants in San Martín. In Madre de Dios, two training courses were offered: *Sawing Operations with a portable disk saw* and *Short technical operations and maintaining electric saws to reduce impact*. In Ucayali, 25 tree ID specialists received training in the identification of *Forest Species for Management*. In Loreto, capacity building activities are recently initiating with concessionaires. WWF-Peru technicians carried out a course directed titled *Technical and legal aspects for the management of the forest concessions in Loreto*. Another workshop, *Implementing detailed forest inventories*, is being planned for the next report period for forestry professionals.
- WWF-Peru, through its CEDEFOR project, continues to pursue opportunities to build alliances with universities and institutes of technical training. Following the success of the Pilot Program of Technical Support, in which students actively participated and gained experience in field activities in forest management, WWF-Peru considers expanding the program beyond CEDEFOR. In Huanuco, WWF-Peru coordinated with the High Jungle National University (UNAS) faculty of the Renewable Resources department to undertake 03 of its students as interns. In Ucayali, WWF-Peru specialists trained 03 accounting students from the Ucayali National University so that they in turn will build capacity in taxation and accounting issues among 22 forest concessionaires in the region. Other opportunities for incorporating applied research into project activities will be considered during the coming report period.

ii. Key management issues

Concessionaires continue to face significant obstacles in the attempt to mobilize timber and establish a profit margin. The inefficiency of INRENA in approving management plans, a consequence of understaffing and limited resources, results in concessionaires' inability to mobilize timber and raise capital in order to comply with the extraction rights payments. In addition, the lack of adequate access to the concessions impedes extraction. As discussed in the following components, WWF-Peru continues to support concessionaires in raising capital and to provide assistance for institutional strengthening of INRENA.

CEDEFOR component II: Business management, marketing and financial services developed

i. Summary of major achievements and progress

- Developed by WWF-PPO in close collaboration with the Caja Rural de San Martín (CRSM), the financial services mechanism is being implemented. To date, 08 credits for capitalization and labor capital have been disbursed to the forest concessionaires. WWF specialists have provided assistance in the elaboration of 13 business plans to forest enterprises, complying with a prerequisite to requesting loans and qualifying as credit beneficiaries of the Trust Fund. In addition, business plans

serve to formalize partnerships in chains of production, guaranteeing concessionaires with a buyer. In Huánuco, 03 loans were disbursed, including US\$ 79,000 to a recently formed consortium, and US\$ 20,000 to 02 other concessionaires. For concessionaires in Ucayali, WWF-Peru facilitated the awarding of US\$ 42,000 that will allow 02 concessionaires to invest in labor capital and equipment to access the concession. An additional US\$ 195,000 is currently awaiting distribution to concessionaires in Madre de Dios and San Martin. Credits awarded by the CRSM have facilitated the commencement of activities in some concessions where concessionaires did not otherwise have the necessary economic resources to do so.

- During the report period, additional progress was achieved in the establishment of forest enterprise consortia. In Madre de Dios, the recently established Tahuamanu Consortium is receiving technical assistance from WWF-Peru for the development of its business plan. Forest concessionaires are deciding to pool resources, and with WWF-PPO's support, are forming strategic alliances to establish value chains from which all enterprises involved will benefit. Business plans for consortia in Huanuco as well as in Madre de Dios were developed.
- In terms of capacity building in business management, constant assistance was provided in taxation and accounting issues for 16 concessionaires in Madre de Dios, 14 in Ucayali, 21 in Huanuco and 11 in San Martin. In addition, 03 capacity building workshops focusing on accounting and taxation obligations benefited 22 representatives of 08 forest enterprises in Madre de Dios. In Huanuco, a workshop on taxation and accounting issues benefited 21 forest enterprises as well as representatives of the local timber association. In Ucayali, WWF-Peru facilitated 02 workshops for 33 representatives of 11 forest enterprises.
- Following up the *Negocia Madera 2004* event that took place in June, WWF-Peru technical staff visited concessionaires in Madre de Dios, Ucayali, San Martin and Huanuco to monitor their compliance with agreements made with timber buyers at the event. Next year's *Negocia Madera* event is already being planned with hopes of an even higher participation of concessionaires and national and international buyers. Recently, 03 US. timber import companies are reengaging in Peru and are considering investing in the development of a timber processing plant for hardwood floors in Pucallpa.
- Having previously identified potential buyers (timber demand) for the Southern Corridor (Arequipa, Puno, Juliaca and Cuzco) and the Northern Corridor (Chimbote, Trujillo and Chiclayo), WWF-Peru is planning a regional Business Roundtable conference in Puerto Maldonado in February and in Tarapoto in March. Similar to the *Negocia Madera* event at the national and international level, these regional fairs will facilitate the establishment of business partnerships between producer and buyer at the regional level. This is especially useful to assist in the promotion and marketing of Lesser Known Species that may require additional time to enter into the international market.
- WWF- PPO, through CEDEFOR, is publishing a monthly bulletin in coordination with PROMPEX. A total of 1000 copies of the seventh issue of PRONFOR were distributed nationally in print to forest concessionaires, exporting enterprises, consulting agencies and institutions. In this issue of PRONFOR, the medium has been utilized to raise awareness about WWF Peru's Responsible Buying Policy (RBP), which encourages timber importers to purchase responsibly, implying that the timber can be verified as having been obtained from sustainably managed forests. Smartwood is supporting this program through assistance with field verifications. The RBP program forms part of the Gradual Approximation System for Certification, and directly contributes to the establishment of the Peruvian Producers Group, which will ultimately be integrated with the Global Forest Trade Network (GFTN) in June 2005.

ii. Key management issues

Concessionaires' level of informality in business operations continues to pose a significant challenge to modernizing the forest sector. While many concessionaires are investing resources and effort and capitalizing on opportunities for assistance provided by WWF-Peru, others remain pessimistic in light of INRENA's ineffectivity and the formidable problems created by rampant illegal logging.

In terms of recent successes in the development of business plans, concessionaires are challenged to successfully comply with business arrangement with buyer companies. The buyers demand a constant supply of timber and as a result there is little room for error. Nonetheless, concessionaires that face obstacles such as the variable weather, financial limitations, and mobilization approval from INRENA need to explore ways to deliver timber according to schedule.

CEDEFOR component III: Institutional strengthening and forest policy consolidation

i. Summary of major achievements and progress

- WWF-Peru, through CEDEFOR, continues to invest significant effort in the establishment and implementation of local Forest Management Committees. During the report period, in Madre de Dios, 01 Committee obtained the approval of its guiding statutes, while 02 other Committees have presented their constitutions and are awaiting inclusion in the public registry. In Huanuco, WWF-Peru's support facilitated the official registration of 01 Forest Management Committee. In addition, project staff coordinated with INRENA, the local timber producers association and Forest Management Committee to coordinate and establish a monitoring calendar for the mobilization of timber in the concessions in the area surrounding Tingo Maria.
- At the regional level, WWF-Peru continues to actively participate in the Forest Dialogue Roundtable meetings in Madre de Dios, San Martín and Ucayali. In a recent Regional Forest Dialogue Roundtable meeting in San Martín, a discussion occurred regarding the agreement reached in the Forum Against Illegal Logging and Commercialization to create Regional Commissions Against Illegal Logging. To date, WWF-Peru has sponsored and assisted in the implementation of five regional *Combat Against Illegal Logging* forums. Furthermore, regional illegal logging commissions have been created in the departments of Madre de Dios and San Martín, while in Tingo Maria, there are plans to install an illegal logging Dialogue Roundtable with active participation from WWF's regional office.
- Technical assistance is provided to timber producers associations in each of the regions. In San Martín, WWF-PPO continues assisting ACOFORSAM (SM Forest Concessionaire Association). Specific support was provided for the development of a project proposal for a San Martín Forest Business and Services Center. The objective of the initiative is to give added value and quality to the forest products generated from the permanent production forests of San Martín.
- With a reorientation of CEDEFOR's strategy to prioritize efforts in critical watersheds, WWF-Peru is beginning to pursue opportunities that will facilitate the sustainable management of resources by all forest users. Towards this end, WWF-Peru collaborated with a provincial municipality in San Martín to offer a workshop on the sustainable management of the Rio Saposoa watershed. The event hosted 57 representatives of diverse sectors and aimed to initiate a process of planning and eventually implementation of sustainable management of the watershed.

ii. Key management issues

Forest Management Committees have received variable support from the government in their effort to formalize their existence and become operational. In some instances, the Executive Commissions of the

Committees have shown a commitment in facilitating the registration of documents with the Public Registry. In San Martin, INRENA is coordinating with WWF-Peru and other partners to create a standard model of governing statutes based on the civil code. Nonetheless, there are examples of members of Regional Roundtables becoming frustrated at the lack of response or solutions to proposals and problems submitted to the Ministry of Agriculture and INRENA at the national level.

WWF-Peru continues to pursue the available avenues and collaborate with other stakeholders for the effective establishment and implementation of the Multi-Sectoral Commission Against Illegal Logging. Presently, planning is underway to propose a media campaign in order to invoke political and social will to transform the current status of the Commission into a reality.

iii. Table of progress in meeting key activity benchmarks

Activity Number	Activity Title	Status
1	Forest management and forest certification	On track
2	Business management, marketing and financial services developed	On track
3	Institutional strengthening and forest policy consolidation	On track

Activity Title: Environmental Education and Awareness Raising

i. Summary of major achievements and progress

- With respect to this component, WWF-PPO has primarily been working in San Martin, Huánuco and Aguaytía to strengthen Forest Management Committees. These Committees include forest concessionaires, farmers, and representatives of indigenous communities, local governments, and INRENA. The Committees serve to raise awareness among forest resource users regarding options for access to these resources and forest management according to Peruvian laws, and to facilitate dialogue with communities that have been encroaching on forested areas. Ultimately, WWF-PPO aims to ensure that these Committees serve as supervisors of sustainable forest management efforts and collaborators in anti-illegal logging efforts.

ii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
3.1	Community based Environmental Education and awareness raising for local community habitat restoration: awareness raising campaign addressing soil degradation due to cultivation of illicit crops and illegal logging in target sites of upper catchments and sub-catchments in the Aguaytía river basin	Completed
3.2	Local government reforestation: forest conservation and reforestation awareness raising campaign targeting Alto Aguaytía	Completed
3.3	Sustainable forest management and VFC in Von Humboldt: awareness raising and education campaign addressing Forest Law implementation and VFC and targeting small growers of the Aguaytía Small Timber Loggers Association	On-track
3.4	Provide EE assistance to training for forest concessions processes and VFC implementation	On-track
3.5	Community forest management and VFC campaign targeting selected indigenous communities (Cashibocatacaibo and Shipibo-conibo ethnic groups) in Von Humboldt	On-track
3.6	Provide EE assistance to training in Community Forest Mgmt and VFC	On-track
3.7	Environmental education in support of conflict resolution in forest resources use	On-track

iii. Key management issues

Although WWF-Peru's contract with AMRESAM has concluded, exchange between the two organizations continues in recognition of shared objectives. In the future, as the consolidated CEDEFOR project is reoriented to focus efforts and resources in critical watersheds and all stakeholders present, alliances with institutions such as AMRESAM will be crucial to ensuring the effectiveness of project activities. In addition, as assistance is extended to resource users other than concessionaires, WWF-Peru will be challenged to develop new and adapt current strategies in order to effectively raise awareness among target beneficiaries. Experiences such as those acquired by AMRESAM during the last year will offer valuable lessons learned to assist in the new phase of the CEDEFOR project.

Activity Title : Local Government Reforestation**i. Summary of major achievements and progress**

- In Huánuco, reforestation activities were completed with the Bella community. The municipality-owned nursery was registered in INRENA in order to obtain the required permissions for production and distribution of saplings to the interested parties. Lessons learned from the project activities include the importance of appropriate site-specific species selection; and the management of the role of the local government in implementing reforestation projects.
- In collaboration with AMRESAM in the communities surrounding Campanilla, San Martín, activities included the installation of tree nurseries in family plots and the collection of seeds and saplings in areas around the farming communities. During the report period, 06 tree nurseries were established in family plots in 02 communities. Another community collaborated with the

recollection of seed, in great quantity of the species red cedar. The seed and saplings were then planted in the established nurseries.

- AMRESAM – with participation of WWF-Peru and local municipal authorities – facilitated a capacity building workshop about forest management in the Campanilla district. Forty residents from 03 nearby communities participated in the two-day event. The objectives of the workshop included capacity building in the implementation of agroforestry systems and sustainable use of medicinal plants.

ii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
4.1	Prioritize and select local governments and target sites	Completed
4.2	Develop integrated reforestation plans and design and implement reforestation program and environmental awareness program	On-track
4.3	Support local government establishment and management of nurseries and seedlings in three local government target sites	Completed

iii. Key management issues

While activities in the Bella community have concluded according to schedule, reforestation efforts in the Campanilla area continue. Activities will be completed during the next report period. Experiences gained by AMRESAM and WWF-Peru in the Campanilla area will be valuable and applicable to CEDEFOR's revised strategy to focus at the watershed level. The inclusion of diverse actors, including local government and farmers and not just concessionaires, is a necessary shift in order to achieve sustainable resource management of the watershed as well as provide formidable barriers to illegal logging activities.

Activity Title : Prevention and Mitigation of Environmental Impacts

i. Summary of major achievements and progress

- As reported in the previous quarterly report, this activity has concluded. WWF-Peru staff are presently finalizing the development, with the participation of SPDE and environmental groups of UNAS, of a web site that will serve as a formal dissemination mechanism for the lessons learned regarding the prevention and mitigation of environmental impacts.

ii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
5.1	Design habitat restoration plan (with the <i>Universidad Nacional Agraria de la Selva</i> – UNAS)	Completed
5.2	Soil type and erosion analysis in target areas	Completed
5.3	Habitat restoration program: design and implement habitat restoration and monitoring training program with local communities	Completed
5.4	Recovery program: Phase1 – implement habitat restoration plots; Phase 2 – develop and implement a habitat restoration	Completed

	monitoring system for restoration plots; Phase 3 – strengthen habitat restoration plots with additional vegetation cover and promote transitional vegetation cover	
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iii. Key management issues

Activities were completed according to schedule.

Activity Title : Environmental Planning and Prioritization

i. Summary of major achievements and progress

Activities were completed according to schedule.

ii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
6.1	Identify, select and develop grant for the NGO responsible for Landscape and Land Use change analysis (WWF)	Completed
6.2	Develop a biogeographic and cartographic database and gather, systematize and synthesize cartographic data (CDC)	Completed
6.3	Design GIS and analyze and interpret satellite images (CDC)	Completed
6.4	Develop vegetation map description, analysis and geo-referencing (CDC)	Completed
6.5	Develop methodological proposal for the identification of High Conservation Value Forests (HCVF) (CDC)	Completed
6.6	Coordinate workshop to define criteria for selecting areas of HCVF (CDC/WWF)	Completed
6.7	Facilitate identification, prioritization and analysis through a conservation status assessment of remaining blocks of HCVF's, river basins and sub river basins for conservation within the context of the ADP (CDC)	Completed
6.8	Land use change patterns: time series analysis and methodological proposal (CDC)	Completed
6.9	Develop and submit ecological and environmental zoning (EEZ) proposal for land and natural resources use zoning in identified priority sub-catchments, and submit final report (CDC)	Completed
6.10	Threats analysis and terms of reference for restoration and mitigation of environmental service's degradation, soil erosion and siltation assessment in selected sub-catchments (WWF)	Completed
6.11	Analysis of road improvement and anthropogenic pressure impact on forest cover in the ADP area (CDC)	Completed
6.12	Deforestation and forest fragmentation analysis, and workshop to validate findings and results (CDC)	Completed
6.13	Ecosystems Alterations: impact assessment of rehabilitated roads and Final Report	Completed

iii. Key management issues

Activities were completed according to schedule.

Amendment to ADP: Promoting Lesser Known Species Harvesting, Industrialization and Marketing to Support Sustainable Forest Management in the Peruvian Amazon

i. Summary of Major Achievements and Progress:

- The Lesser Known Species (LKS) project is in its final stage as an independent project. As part of the proposal for the consolidation of CEDEFOR, WWF-Peru will improve its effectiveness in building on the results obtained in the dendrological and technical studies of LKS timber. In total, 12 alternative species are being utilized and managed by concessionaires receiving our assistance.
- Exportimo is in the last phase of its research on two native species – *Cachimbo rojo* and *Capirona* – in order to determine the durability of the processed timber and to evaluate the species' capacity to meet standards of the US market. Currently Exportimo is presenting 12 furniture pieces of *Cachimbo* and *Capirona* at the High Point trade show in North Carolina. This trade show is considered to be the most important show for international furniture traders and designers. In addition, other promotion activities during the last report period included the design of catalogs featuring the LKS species; and the publication of the characteristics and value of LKS species in 02 premiere US furniture industry magazines: Furniture Today and Inn Furniture. Furthermore, LKS furniture models are now on display in principal showrooms in Texas and Colorado.
- CITEMadera and Madepives have investigated the utility and workability of 09 species, of which 06 have been identified as being the most suitable to industrial processing. These 06 species are *Panguana*, *Marupa*, *Huimba*, *Yanchama*, *Cachimbo*, and *Huamanzamana*. CITEMadera is presently displaying samples of LKS furniture products at CASACOR – Peru's most important annual design and architecture show. Preparations are underway for the display of products by 25 manufacturers in the furniture fair *Casa Villa*.
- WWF-Peru is also coordinating with the LKS Project enterprises to publicize the benefits of using alternative species and to train manufacturers in the correct use of the timbers that have been studied. To meet this end, a forest species catalog has been designed, entitled *Woods of Peru*, which contains technical data about the main commercial species at a national level, including 20 LKS species. The catalogue is currently being distributed nationally and abroad as a way of promoting sustainable forest management.

ii. Table of Activity Status

Activity Number	Activity Title	Status
1	Community-based Micro-enterprise and “On-the-ground” Technology Development	On-track
2	Knowledge	On-track
3	Species Promotion	On-track
4	Cooperation	On-track

iii. Key management issues

The continual circulation of material about LKS products through communications materials and participation at trade shows and other events has generated considerable interest amongst manufacturers of value-added timber products. However, this will be a gradual process as the current trend remains heavily focused on primary timber goods. As new research continues to illuminate the viability of lesser known species, opportunities will be created for secondary transformation of LKS. To successfully

produce a shift from over-burdened species to lesser known species, information on the benefits of LKS must be widely promoted. WWF-Peru is working on these two components (research and marketing), which will ultimately contribute towards a more efficient and sustainable management of Peru's forests.

Together with CITEmadera, WWF-Peru is designing a new program working with alternative species that can also be offered to the construction industry to produce doors, floors, stairs, and windows. Specifically the aim is that the companies involved in the Ministry of Housing's program *Techo Propio* will develop interest in CITEmadera's products, leading to the widespread use, consumption and standardization of LKS products in the national construction industry.

III. Success Stories and Other Appendices

When appropriate and possible, include one or more one-page success stories appropriate for public dissemination.